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BEFORE THE ARIZONA CORPORATION C

MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

Arizona Corporation Commission

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IN THE MATTER OF THE
APPLICATION OF AJO
IMPROVEMENT COMPANY IN
CONFORMANCE WITH THE
REQUIREMENTS OF ARIZONA
REVISED STATUTES, 40-360.03 AND
40-360.06, FOR A CERTIFICATE OF
ENVIRONMENTAL COMPATIBILITY
AUTHORIZING THE
CONSTRUCTION OF A 230KV
TRANSMISSION LINE AND
SUBSTATION IN MARICOPA AND
PIMA COUNTIES, ARIZONA
BETWEEN GILA BEND SUBSTATION
WEST OF GILA BEND TO THE
PROPOSED SUBSTATION NEAR THE
PHELPS DODGE AJO
INCORPORATED MINE A DISTANCE
OF APPROXIMATELY 47 MILES.

DOCKET NO. L-00000G-97-0089

CASE NO. 89

ORDER AMENDING DECISION NO. 60841

DECISION NO. 70326**ORDER**

Open Meeting
April 24, 2008
Phoenix, Arizona

BY THE COMMISSION:FINDINGS OF FACT

1. On April 30, 1998, the Arizona Corporation Commission ("Commission") issued Decision No. 60841 in Docket No. L-00000-97-0089 ("Case No. 89"). Decision No. 60841 granted Ajo Improvement Company ("AIC") a Certificate of Environmental Compatibility ("CEC") authorizing construction of a 230 kV transmission line originating at the Gila Bend Substation on the west side of Gila Bend, Arizona, to a proposed substation that would be located

1 near the Phelps Dodge Ajo Incorporated ("PDAI") Mine on the southeast side of Ajo, Arizona.
2 The CEC further authorized AIC to construct the proposed substation that would be located near
3 the PDAI Mine near Ajo, Arizona as well as necessary improvements to the Gila Bend substation.

4 2. The second condition of the CEC states:

5 "(2) [T]he authorization to construct the project will expire ten (10) years from
6 the date the Certificate is approved by the Arizona Corporation
7 Commission unless construction of the project is completed by that time;
8 provided, however, that the Applicant (or its transferee, assignee or
9 successor) shall have the right to apply to the Arizona Corporation
10 Commission for an extension of this time limitation."

11 3. The Arizona State Line Siting Committee ("Committee") approved the CEC on
12 April 8, 1998. The Commission affirmed and approved the Committee's grant of CEC to AIC on
13 April 30, 1998. Therefore, AIC was to complete construction of the facilities by April 30, 2008.

14 4. On April 16, 2008, AIC filed a request for a time extension to construct the
15 transmission facilities approved by the subject CEC. AIC requests an extension of the time
16 granted by the CEC to construct the approved transmission facilities to April 29, 2013. AIC
17 explains that the reason for requesting a time extension to the subject CEC is because AIC has not
18 initiated construction of the approved facilities due to economic factors related to the electric load
19 that would be served by the new transmission facilities.

20 5. Commission Utilities Division Staff ("Staff") has not had sufficient time to evaluate
21 AIC's time extension request.

22 CONCLUSIONS OF LAW

23 1. The Commission has jurisdiction over Ajo Improvement Company and the subject
24 matter contained herein pursuant to Article XV of the Arizona Constitution and A.R.S. § 40-252
25 and § 40-360 et seq.

26 2. Notice of the proceeding has been given in the manner prescribed by law.

27 3. The Commission having considered Ajo Improvement Company's filing for
28 expedited consideration of its request to extend the time for construction ordered by Decision No.

60841, finds that granting an extension until July 31, 2008 from the original date for compliance of April 30, 2008 to provide an opportunity for the Commission's further consideration of this matter is in the public interest in this matter.

ORDER

IT IS THEREFORE ORDERED that Decision No. 60841 is hereby amended to extend the time for construction to July 31, 2008.

IT IS FURTHER ORDERED that Staff shall file a recommendation by June 30, 2008.

IT IS FURTHER ORDERED that Decision No. 60841 shall remain in effect in all other respects.

IT IS FURTHER ORDERED that this decision shall be effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

Lawell Williamson
CHAIRMAN

Wilbur A. McNeil
COMMISSIONER

Jeffrey H. Hatch
COMMISSIONER

R. W. [Signature]
COMMISSIONER

Gary [Signature]
COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 29th day of April, 2008.

[Signature]
BRIAN C. McNEIL
Executive Director

DISSENT: _____

DISSENT: _____

1 SERVICE LIST FOR: Ajo Improvement Company
2 DOCKET NO. L-00000G-97-0089

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